

**House Study Bill 675 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON PETERSEN)

**A BILL FOR**

1 An Act concerning discontinuing investment options in certain  
2 qualified retirement plans offered by an employer.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 8A.433A Deferred compensation plans  
2 — investment options.

3 1. For purposes of this section:

4 a. "*Authorized investment option*" means an investment option  
5 that may be offered to employees within an eligible retirement  
6 plan.

7 b. "*Eligible retirement plan*" means a retirement plan  
8 qualified under sections 401, 403, 408, and 457 of the Internal  
9 Revenue Code.

10 2. An eligible retirement plan offered by the state to  
11 eligible employees shall provide that contributions by an  
12 employee to an authorized investment option shall not be  
13 discontinued or disallowed if the employee was contributing to  
14 that investment option at the time the department discontinued  
15 the investment option within the eligible retirement plan  
16 offered by the employer.

17 Sec. 2. NEW SECTION. 91A.15 Qualified retirement plans —  
18 investment options.

19 1. For purposes of this section:

20 a. "*Authorized investment option*" means an investment option  
21 that may be offered to employees within an eligible retirement  
22 plan.

23 b. "*Eligible retirement plan*" means a retirement plan  
24 qualified under sections 401, 403, 408, and 457 of the Internal  
25 Revenue Code.

26 2. An employer offering an eligible retirement plan to  
27 employees shall not discontinue or disallow contributions by  
28 an employee to an authorized investment option if the employee  
29 was contributing to that investment option at the time the  
30 employer discontinued the investment option within the eligible  
31 retirement plan offered by the employer.

32 EXPLANATION

33 This bill concerns investment options provided employees  
34 within an eligible retirement plan offered by the department of  
35 administrative services or by a private employer.

1 The bill defines an eligible retirement plan as a retirement  
2 plan that is qualified under sections 401, 403, 408, and 457 of  
3 the Internal Revenue Code. The bill also defines an authorized  
4 investment option as an option that can be offered to employees  
5 through an eligible retirement plan.

6 The bill provides that an employer offering an eligible  
7 retirement plan to employees shall not discontinue or disallow  
8 contributions by an employee to an authorized investment option  
9 if the employee was contributing to that investment option at  
10 the time the employer discontinued the investment option within  
11 the plan offered by the employer. This provision relative  
12 to employers is also made applicable to plans offered by the  
13 state.